



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Regulatory Commission of Alaska

Sarah Palin, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

March 25, 2009

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street S.W.
Suite TW-A325
Washington, D.C. 20554

Re: GN Docket No. 09-29
Comments of the Regulatory Commission of Alaska

Dear Ms. Dortch:

Attached are the Comments of the Regulatory Commission of Alaska filed electronically in response to the Federal Communications Commission's March 10, 2009 public notice in GN Docket No. 09-29 concerning a Report to Congress on Rural Broadband Strategy.

Sincerely,

REGULATORY COMMISSION OF ALASKA

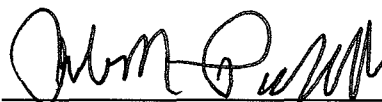
Robert M. Pickett
Chairman

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
) GN Docket No. 09-29
Report on Rural Broadband Strategy)
)

Comments of the
Regulatory Commission of Alaska

Date: March 25, 2009



Robert M. Pickett, Chair

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) GN Docket No. 09-29
Report on Rural Broadband Strategy)
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Comments of the
Regulatory Commission of Alaska

The Regulatory Commission of Alaska appreciates the opportunity to file comments on the development of a comprehensive rural broadband strategy by the Chairman of the Federal Communications Commission (FCC) in consultation with the Secretary of the Department of Agriculture (DOA) as directed by Congress in the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill).

Introduction

Section 6112 of the 2008 Farm Bill requires the Chairman of the FCC and the Secretary of the DOA to submit a report to Congress describing a comprehensive broadband strategy that includes recommendations (A) to promote federal interagency coordination for policies, procedures and targeted resources and for streamlining or otherwise improving policies, procedures, and services, (B) to coordinate existing federal rural broadband or rural initiatives, (C) to coordinate short-term and long-term needs assessments and solutions for rapid build-out of rural broadband solutions and application of federal, state, regional, and local government recommendations, and (D) to identify how

specific federal agency programs and resources can best respond to rural broadband requirements and overcome obstacles that currently impede rural broadband deployment.

Promoting Interagency coordination/Coordinating existing federal rural broadband or rural initiatives

Two DOA federal programs have assisted in the deployment of Internet service in Alaska—the Community Connect Broadband Grant Program, and the Rural Alaska Broadband Internet Access Grant Program administered jointly by the RCA and the Department of Commerce, Community, and Economic Development (DCCED).¹ The recent enactment of the American Recovery and Reinvestment Act of 2009 (2009 ARRA) has created two additional federal funds for broadband infrastructure improvements – a \$2.5 billion allocation for DOA's Rural Utility Service (RUS) for funding loans, loan guarantees and grants for broadband facilities in underserved rural areas,² and a \$4.7 billion allocation for Department of Commerce's (DOC) National Telecommunications and Information Administration (NTIA).³

¹These grant programs have provided necessary funding for broadband Internet service deployment in 36 communities since 2002. The Community Connect grant program has provided funding for service to seven communities, while 29 communities receive broadband Internet service due to funding from the Broadband Internet Access Grant Program.

²See Division A, Title I.

³The NTIA funding component broken into two basic parts - one \$350 million allotment and another \$4.35 billion allotment. The \$350 million allotment must be expended pursuant to Public Law 110-385, federal legislation which developed a grant program allowing states to pursue a statewide broadband mapping initiative. See Division A, Title II, and Public Law 110-385. \$4.35 billion is allocated to fund grant projects under the *Broadband Technologies Opportunities Program*. This larger allocation has three sub-allocations - \$200 million for competitive grants for expanding public computer capacity, \$250 million in competitive grants for programs to encourage sustainable adoption of broadband service, and \$10 million to federal authorities for audits and oversight.

In Alaska, the various funding agencies within DOC and DOA must coordinate their efforts with efforts funded through the two existing DOA grant programs. This is vital to achieving the goal of promoting federal interagency coordination for policies, procedures and targeted resources or otherwise improving policies, procedures, and services. Specifically, we would request that consideration be given to ensuring as much as possible that grant compliance and reporting procedures between different funding agencies be streamlined and that electronic communication for filing and reporting be used wherever possible.

Coordinate assessments and solutions for rapid build-out/Apply federal, state, regional, and local government recommendations

Much of Alaska is typified by isolated, remote villages with low population, harsh climate and challenging terrain. Unlike the Lower 48, most rural communities in Alaska are not reachable by road or train; year-round access is limited to air transport. About 40% of all exchanges in Alaska serve fewer than 100 access lines and 83 percent of the exchanges operate under 1000 access lines. Many of the communities in question are Alaska Native villages which the FCC has recognized as having low penetration rates and for which it has adopted specific policies to promote universal service.⁴

⁴ See 47 C.F.R. 54.403(a)(4) (Tier 4 Lifeline support which provides additional Lifeline support of up to \$25 per month to eligible residents of tribal lands as defined in 54.400(e)) and *Order*, In the Matter of High - Cost Universal Service Support Federal - State Joint Board on Universal Service, WC Docket No. 05-337 and CC Docket no. 96-45, FCC 09-16, Adopted March 4, 2009, Released March 5, 2009, para. 1 (waiving the limitation on the availability of uncapped high-cost universal service support for competitive eligible telecommunications carriers serving tribal lands or Alaska Native Regions).

Throughout Alaska, the type of available Internet access - and the technology used to provide such access - varies significantly by region. Internet and communications services are provided only through satellite earth station connectivity in many (particularly remote) Alaska communities. Alaska's larger communities are typically connected through various technologies, including fiber.⁵ In some instances satellite transport is combined with microwave facilities, as is the case in areas of Southeast Alaska and Southwest Alaska.⁶

Satellite fulfilled a vital role in interconnecting Alaska's communications network and modernizing Alaska's television and telecommunications industries, but the inherent limitations of satellite service will preclude rural Alaska from participating in next generation communications. While Alaska has seen significant infrastructure investment in the last ten years, there is heavy reliance on satellite to provide long-haul transport outside the Alaska road system.

Reliance on satellite for the long-haul transport aspect of broadband service is the major impediment in providing next generation broadband speeds throughout the state, and particularly in sparsely populated areas. While satellite satisfies some broadband definitions, it entails significant

⁵Fiber provides long-haul access in Southcentral Alaska and along the railbelt, and in portions of Southeast Alaska. Fiber networks run underwater from points of presence in the lower 48 (specifically Oregon and Washington) through to destination points in Southcentral Alaska (Seward, Whittier, and Valdez). Underwater fiber links connect Southeast (Juneau, Ketchikan, Wrangell, Petersburg, and Sitka) and Kodiak Island. Terrestrial fiber links run through Anchorage to Fairbanks and on to Prudhoe Bay, and also run from Valdez along the Richardson Highway route through Glennallen and on to Fairbanks.

⁶For example, GCI's DeltaNet microwave network is a terrestrial network that connects 47 communities to a satellite link in Bethel.

recurring costs compared to fiber transport. These recurring costs preclude long-term, sustainable, affordable, broadband Internet service in sparsely populated areas of Alaska, particularly as the definition of low – end broadband is modified over time to incorporate higher speeds.

While the most remote areas of Alaska may never experience fiber to the community, certain remote areas of the state have developed middle mile microwave-based infrastructure which has allowed Internet service (at 256 Kbps for residential service and 512 Kbps for business service) using a satellite uplink for part of the transport. The existence of significant federal funding may enable the development of further middle mile infrastructure (fiber, microwave) that will allow Alaska to reduce its reliance on satellite transport throughout its rural areas. Federal, state and local organizations should recognize the great need for deployment of middle mile infrastructure and advocate for middle mile alternative transport solutions wherever possible to reduce Alaska's historical reliance on satellite transport for broadband services.

We also believe that the FCC should be cognizant that the cost characteristics of rural communities are not necessarily uniform and that these differences should be taken into consideration when developing a national broadband plan. That is, it may be appropriate for the FCC to distinguish between rural communities characterized by high last mile costs versus rural communities with high middle mile costs, and craft appropriate solutions to address those differences. In the area of broadband, it is not enough to simply characterize rural communities as either unserved or underserved.

Finally, the state broadband mapping initiatives of Public Law 110-385 is imperative to coordinating the assessment of Alaska's infrastructure needs and ensuring an approach that identifies solutions for the build-out of broadband infrastructure. However, the FCC's current use of census tracts to identify broadband availability may not provide sufficient granularity in rural communities. While use of census tracts may provide greater detail than zip codes (the FCC's previous method) in urban areas; in rural areas it is possible that multiple communities (each with a different zip code) can be subsumed into a single census tract. This will preclude identification of unserved and underserved areas by community, and may cause funding agencies to incorrectly conclude that a community already has access to broadband when it does not. We encourage the FCC to re-examine this aspect of its mapping program.

Identify how federal programs and resources can respond to rural broadband requirements and overcome obstacles that currently impede rural broadband deployment.

As noted above, there are four federal grant or loan programs that may provide the financial incentive for infrastructure enhancements in Alaska. The two existing DOA federal programs allow private providers to pursue grant funding to assist in deploying broadband service in unserved or underserved communities in Alaska.⁷ The DOA RUS allocation within the 2009 ARRA appears to be geared towards private organizations or public-private

⁷The Community Connect Broadband Grant Program provides funding to various entities including local village organizations, while the Rural Alaska Broadband Internet Access Grant Program limits grant funding to telecommunications companies and cable operators, and is subject to eligibility requirements.

partnerships,⁸ while the DOC NTIA allocation appears to allow funding to private as well as public entities.⁹

If properly administered, these DOA programs can provide the financial assistance for Alaskan Internet service providers in deploying middle mile solutions. The DOC NTIA program can serve this purpose, allow state, local, nonprofit, and public health organizations to upgrade their computer networks, and educate Alaskans in the possible applications of Internet service.

There may remain a need in Alaska for an ongoing federal subsidy in communities that, due to geography and demographics, will remain totally reliant on satellite systems for the middle mile aspect of Internet service. The FCC has considered a Broadband Fund as part of its federal Universal Service Fund reform. We encourage the FCC to continue in its evaluation of this method of ensuring the goals of broadband deployment in rural areas.

Thank you for this opportunity to comment on these important issues.

⁸For example, the priority for borrowers or former borrowers under Title II of the *Rural Electrification Act* provides an advantage to electric and telephone companies serving rural Alaska because they are the entities eligible for funding under the *Rural Electrification Act*.

⁹Eligible grant recipients are states or political subdivisions thereof, non-profit entities, and other entities (including service and infrastructure providers) authorized by the Assistant Secretary of Commerce for Communications and Information.